

BACKGROUND

Registry
77-4009

13 JUL 1977

MEMORANDUM FOR: Deputy Director for Administration

FROM : F. W. M. Janney
Director of Personnel

SUBJECT : Organizational Development

REFERENCES : (a) Employee Suggestion 77-93
(b) OP comments on reference (a)
(c) DDA comments on reference (a)

1. This memorandum has been prepared at the request of the ADDA and is forwarded for information.

2. The Office of Personnel's response to Suggestion 77-93 was directed to the proposal for the establishment of an Organization Development Staff and our belief that such a Staff could only successfully function where there was centralized Agency or Directorate support for the institutional management objectives of the program including a commitment of resources. The DDA response and the 22 June OTR memorandum, on the other hand, addressed what the Agency is presently doing, ad hoc, along general OD lines. We do not read these responses as in conflict. We also see OTR's responses as reinforcing the thrust of OP's position for the level and kind of support required for a comprehensive program such as proposed by Mr. Simpson.

3. There has always been a good deal of mystique surrounding OD, much of it engendered by the language used to describe it. An example is the textbook definition given by the suggestor.

"OD is a long range effort to improve an organization's problem solving and renewal processes, particularly through a more effective and collaborative management of organizational culture, with the assistance of a change agent, or catalyst, and the use of the theory and technology of applied behavioral science, including action research."

In more simple terms, OD is the systematic manner in which an organization's problems are diagnosed and treated, with the goals of making that organization an ideal one for both management and employees.

4. Almost any literature on the subject of OD emphasizes its only chance of success is the solid commitment to OD principles at all levels of management and employees, and includes an equal commitment of time, personnel and finances. We have attached a copy of an article from the March - April 1977 Personnel publication on OD, which makes the point that time is the greatest stumbling block to the success of the OD effort--and that it takes three to five years before an OD effort fully takes hold and changes a work culture. Time, further, is only one factor in the implementation of an OD program.

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5. Agency records reflect the original suggestion that CIA undertake an Organizational Development Program dates back to 1964. At that time the Agency entered into a contract with [redacted] for the purchase of the Managerial Grid. The Grid was the first of a six phase program sponsored by [redacted] which in its entirety was an OD program. For numerous reasons, mainly time (five years) and funds (\$500,000), the Agency's top management chooses not to make the commitment for the total package. We "bought" the first phase only (Grid) and that program has continued as one of the more popular courses given in the Agency.

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6. The points contained in the Director of Training's memorandum of 22 June 1977 summarize the current efforts and list the capabilities existing in the Office of Training and elsewhere in the Agency for the handling of OD type problems. This has been going on for several years. In 1973-74, OTR hired an MBO and OD expert, [redacted]. His efforts in CRS, involving over 70,000 man-hours, to improve the effectiveness of that organization, is an example of what can be done, in-house, when internal resources are available and utilized. It also points out the time frame and resources required.

7. We continue to believe, as noted out in our original comments, that OD presents many attractive aspects, apart from the academic viewpoint expressed by the suggestor. We also believe that the establishment of a Staff responsible for OD on a Directorate or Agency level would be a natural step in evolving management concepts. Success of such a project depends, however, on commitment to the content as well as the spirit. Note the first paragraphs of OTR's 22 June memorandum. The successful establishment of a formal OD Staff for the purpose of identification, study, analyses, and finally treatment of the problems, would require top management support and the provision of the whole package of resources required. Only senior management is in a position to determine that the state of management

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in the Agency is ready and in a position to benefit from an OD program of the scope proposed, and if the need warrants the necessary diversion of funds and personnel from other programs.

8. It should be noted that the Office of Personnel's response to the suggestion was inadvertently marked "decline". As seen from the substance of the comments the recommendation should properly have been "other". While pointing out the problems we saw in the suggestion, including the lack of any specifics for implementation, it was recommended the suggestion be referred to DDA for further review and comment.

[Redacted Signature]

F. W. M. Janney

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